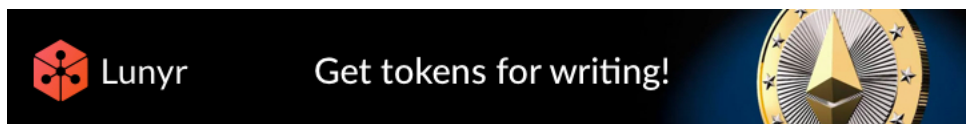


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Bangladesh Central Bank: Cryptocurrency Use is a 'Punishable Offense'

Stan Higgins

Sep 16, 2014 at 09:02 UTC | Updated Sep 17, 2014 at 03:10 UTC

NEWS

Update (17th September 3:00 BST): A full translation of the statement from the Bangladesh Bank has been added to the piece.

The central bank of Bangladesh has issued a new statement suggesting that the use of digital currency is now illegal in the country.

The Bangladesh Bank, as originally reported by the [Agence France-Presse](#) (AFP), has said that the use of bitcoin and other cryptocurrencies is unlawful under existing anti-money laundering (AML) statutes.

The Bangladesh Bank noted in its advisory that harsh penalties could be imposed on those who use digital currencies, saying:



"Bitcoin is not a legal tender of any country. Any transaction through bitcoin or any other cryptocurrency is a punishable offense."

AFP also reportedly spoke to a representative from the bank, who said that the act of using a digital currency could be punishable by as much as 12 years in prison.

Bangladesh recently enacted [Money Laundering Prevention Act, 2012](#), a revision of a 2009 law that aimed to bring the country's AML policies up to global standards.

Popularity leads to announcement

Notably, the bank's decision to outlaw digital currency transactions derived from increasing reports in the local media regarding the use of bitcoin by domestic residents.

The announcement follows the formation of the Bitcoin Foundation's official chapter in Bangladesh, the organisation's first affiliate program in Asia. [The Bitcoin Foundation Bangladesh](#) opened to great fanfare in mid-August and counts international bitcoin evangelist Roger Ver among its advisors.

At the time, members of the group expressed optimism that formal recognition of the group would lead to greater domestic awareness of the technology.

At press time, the Bitcoin Foundation and Ver had yet to respond to requests for comment.

Latest nation to restrict bitcoin

For example, banned bitcoin earlier this year, saying that it had taken the action in order to protect both Bolivia's national currency, the Boliviano.

Soon after, bitcoin was [banned in Ecuador](#) as part of a legislative vote that created a new state-backed digital money. Though not named specifically in the bill, the ban was [formally affirmed](#) in statements to local businesses.

While other central banks around the world have issued warnings about the use of digital currency, potential dangers and the risk of fraudulent applications, many have avoided outright restrictions.

A full translation of the statements can be found below:

This is hereby to caution everyone not to transact any online artificial currency (such as bitcoin).

It has come to the Bangladesh Bank's attention that there is some news of exchanging online artificial currency (cryptocurrency) such as bitcoin. According to online news reports, we came to know that various platforms (exchange platform) are buying and selling bitcoins.

As a matter of fact, bitcoin is not a legal currency (legal tender) issued by any country. Bangladesh Bank or any organization of Bangladesh government does not approve any transaction of bitcoin or any other artificial online currency.

Bitcoin and its transactions operate mainly through online network and it does not depend/approved by a central payment system, as such, people can be financially harmed. Transactions of these kind of currency could involve unapproved matters stated in Foreign Currency Control Act, 1947 and will be punishable by it. Moreover, users of these kind of currency will also be punishable by Money Laundering Control Act, 2012 for disobeying the stated act.

So all people, from all walks of life are hereby requested not to transact/help transactions and spread information about it to avoid financial or legal risk.

CoinDesk is monitoring this developing story.

[Bangladesh flag](#) image via Shutterstock



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